



# 2016 TDI COMPLIANCE CONFERENCE

MAY 20, 2016  AUSTIN, TEXAS

## New Laws and Rules Affecting Health Insurance

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Health Insurance Hot Topics / L&H Legislative Roundup

Texas Department of Insurance

# TDI's Organization

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Commissioner of Insurance  
David Mattax

Compliance

Financial  
Regulation

General  
Counsel

Public  
Affairs

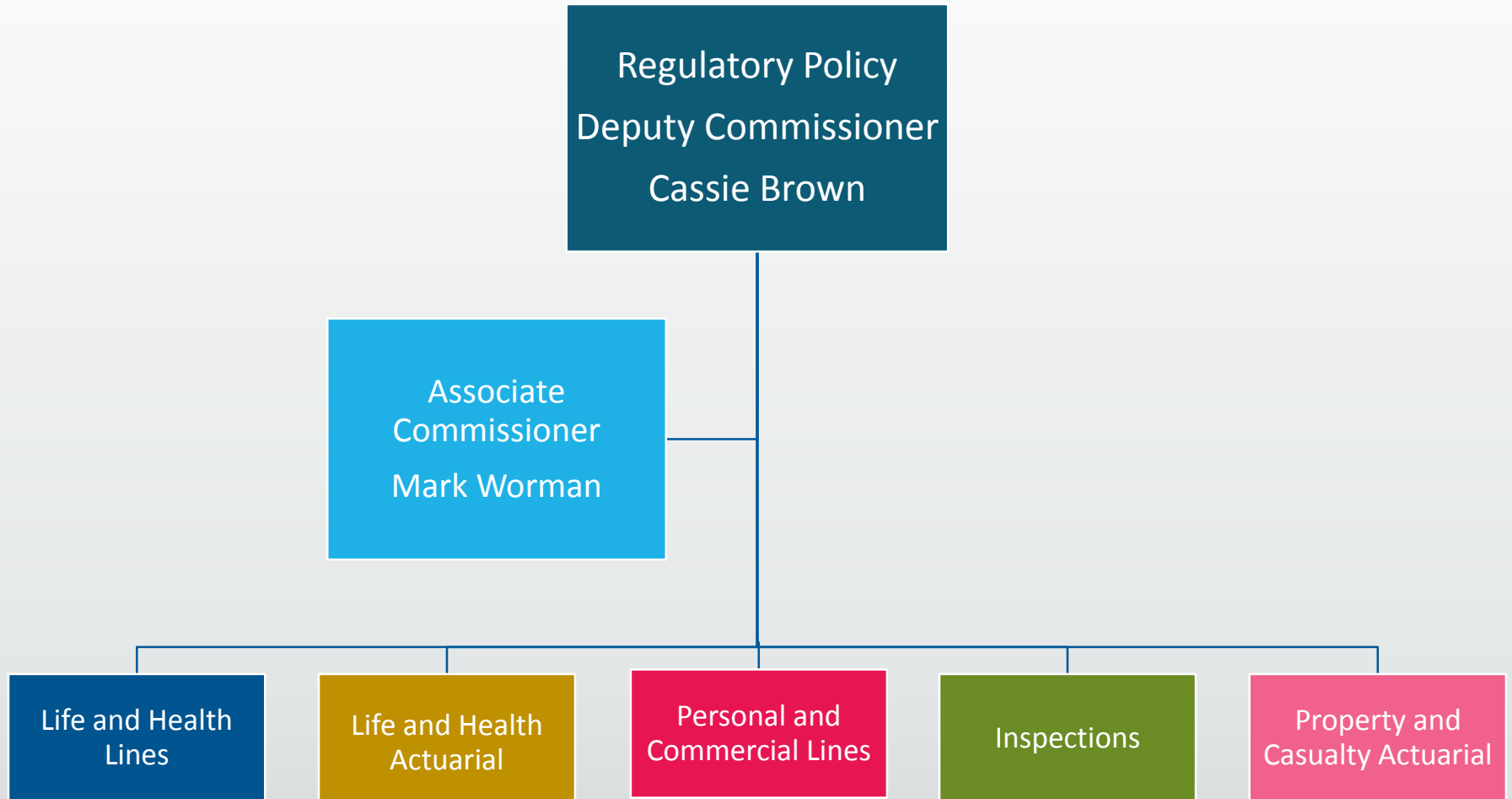
State Fire  
Marshal

Regulatory  
Policy



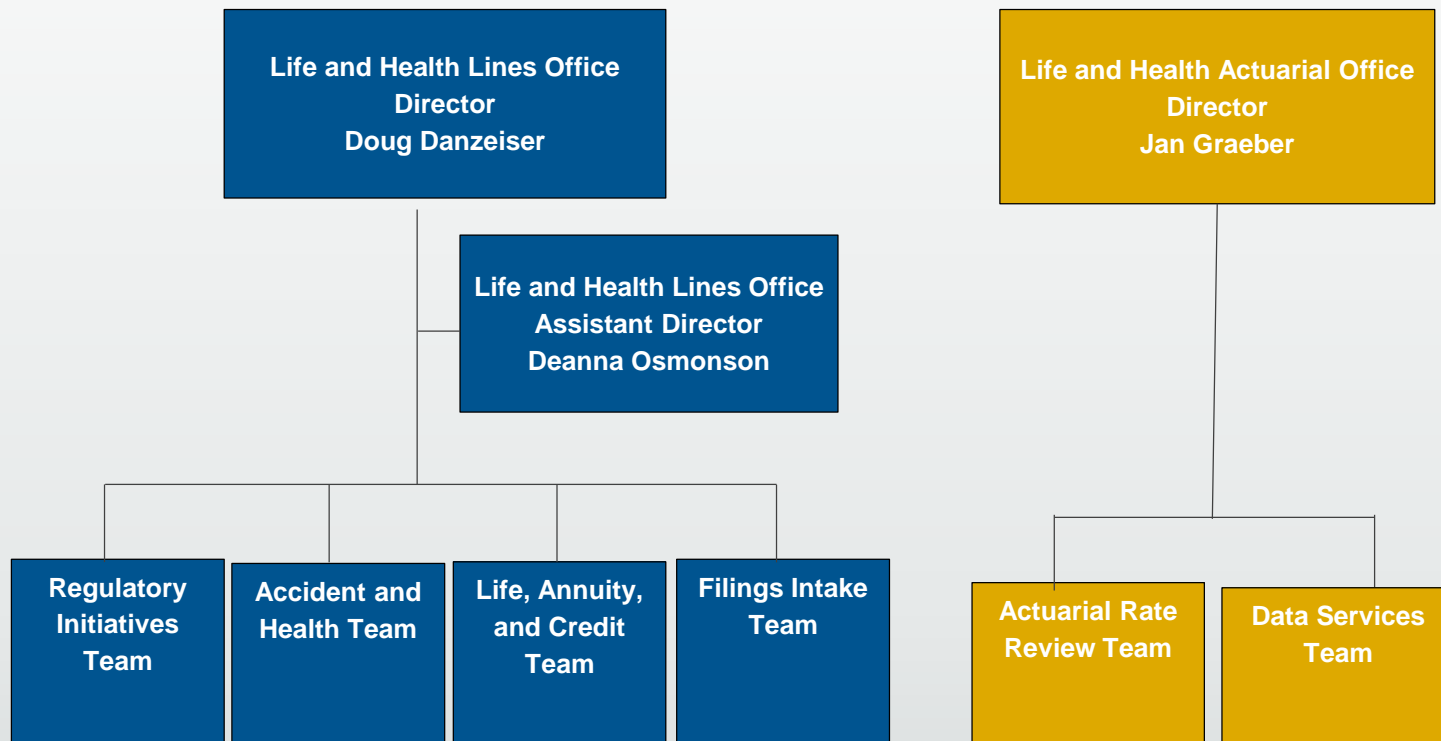
# Regulatory Policy

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# Regulatory Policy (LAH)

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# 84th Session

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## *Bulletin #B-0019-15 – Legislation Enacted*

### ★ **Out-of Network Provider Referrals (HB 574)**

- May not terminate for providing out-of-network options
- May not require use of an intimidating out-of-network referral form

### ★ **ID Cards (HB 1514)**

- Qualified Health Plan cards must state “QHP”

### ★ **Individual Indemnity Health Insurance (SB 979)**



# 84th Session

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## ★ Ovarian Cancer Screening (HB 2813)

- Essential health benefits questions
- Notice of coverage rulemaking

## ★ Mediation (SB 481)

- Lowers threshold from \$1000 to \$500
- Adds assistant surgeons

## ★ Utilization Review (HB 1621)

- Must provide 30 days advance notice of adverse determination regarding drugs or infusions currently receiving and immediate external appeal



# 84th Session

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## ★ Pharmacy Benefit Managers

- Fees for Adjudication of Pharmacy Claims (SB 94)
- Maximum Allowable Cost Lists (SB 332)

## ★ Coordination of Dental Benefits (HB 3024)

## ★ Dental Coverage in Child Support Orders (SB 550)

- Adds dental coverage to current medical child support laws

## ★ Expedited Credentialing “Eye Care” Professions (SB 684)



# 84th Session

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## ★ **Formularies and Directories (HB 1624)**

- Formularies - TDI must adopt rules to promote consistency and clarity and to facilitate comparison shopping
- Provider Directory Requirements Include:
  - Giving provider addresses and phone numbers
  - Electronically searchable by name and location
  - Updated monthly





# Adopted Rules

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## ★ Composite Premiums (28 TAC 26.30)

- 9/23/2015

## ★ Wellness Programs (28 TAC 21.4701-4708)

- 7/2/2015

## ★ Acquired Brain Injury (28 TAC 21.3101-3107)

- 5/18/2015

## ★ TDI Contact Information (28 TAC 1.208-210, 1.601-602)

- 5/12/2015



# Adopted Rules

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## ★ Prior Authorization Forms (28 TAC 19.1801-1820)

- 4/17/2015, 12/1/2014

## ★ Autism Coverage (28 TAC 21.4401-4404)

- 3/2/2015

## ★ Independent Review Organizations (28 TAC 12.1-502)

- 4/23/2015

## ★ Consumer Financial Information Privacy (28 TAC 22.2-27)

- 11/17/2014



# Rules in Progress

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- ★ **Employer Rules (Chapter 26)**
- ★ **Formulary Disclosure Requirements**
- ★ **Professional Employer Organization Health Plans**
- ★ **HMOs (Chapter 11)**
- ★ **Price Transparency**



# Rules in Progress

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- ★ **Consumer Choice Rules**
- ★ **Mediation Rules (SB 481)**
- ★ **Plan Comparison (SB 1731)**
- ★ **Mandated Benefits Data Call**
- ★ **Ovarian Cancer Screening Notice (HB 2813)**



# Closure of the Texas Health Pool

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The 83rd Texas Legislature passed SB 1367 to dissolve the Pool. Coverage ended March 31, 2014, and operations are winding down.

## **Redirection of Premium Assistance Funds**

- The Pool (now TDI) receives 50 percent of institutional prompt pay penalties.
- SB 1367 redirected those funds to TDI to:
  - cover Healthy Texas close-out expenses, and
  - improve access to health benefit coverage for the uninsured.
- However, the Legislature did not provide appropriations authority to spend the funds. Instead, funds will accrue to general revenue, along with other fines collected by TDI.



# Three-Share Program Grants

- ★ The 80th Legislature enacted SB 10 to create three-share programs under Health and Safety Code Chapter 75
- ★ Three current grantees applied and were granted funding for 2016-2017.

Grant Periods	Total Funding
2008-2009 Biennium	\$624,638
2010-2011 Biennium	\$2,547,783
2012-2013 Biennium	\$753,756
2014-2015 Biennium	\$1,981,975
Total	\$5,908,152

## Three-Share Grant 2016-2017 Biennium

Type	FY 2015	FY 2016
Appropriations	\$444,866	\$444,866
Fines, Penalties, and Sanctions*	\$1,500,000	\$1,500,000

\*Funds collected from regulated entities not to exceed \$1.5 million in each fiscal year.

- ★ Grant funding is available to three-share programs for:
  - research,
  - planning,
  - development, and
  - operation.



# New Consumer Resources

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## ★ TDI is working to help educate consumers new to health insurance

- [TexasHealthOptions.com](https://www.texashealtheoptions.com) provides information on how to find and use health insurance coverage
- Understanding coverage documents, glossary of insurance terms, examples of how cost-sharing works
- Resources for consumers on how to avoid surprise bills and explaining network adequacy protections



# Transparency Initiatives

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Developing transparency resources pursuant to SB 1731, 80th Legislature:

- **Health Price Transparency:** Working to improve quality and relevance of reimbursement rate data collection to promote transparency in prices for health services
  - Amendments to data collection rule to be proposed in 2015
  - Enable consumers to find the cost for common treatment events
- **Health Plan Compare:** Developing annual report requirements and web platform to allow comparison of health plans





# Senate Interim Charges

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## Texas Prompt Pay Law:

- Study impact of penalty calculations under current law, including comparing penalties in other states and other insurance lines.
- “Evaluate whether unregulated billed charges is the appropriate basis for determining penalty amounts and make recommendations for statutory changes, if needed.”

**Monitoring Charge:** “Implementation of legislation intended to further protect consumers from the balance billing process.”



# House Interim Charges

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- ★ Examine the effectiveness of previous legislative efforts to encourage transparency and adequacy of health care networks, and of legislation to protect consumers from the negative impacts of disputes over out-of-network services. Study whether enhancements in transparency or regulation are necessary.
- ★ Evaluate the statutory penalty calculations under Texas's prompt payment laws regarding health care claims. Include an analysis of whether the proper benchmarks are used to establish penalties commensurate with an improper payment and the effect of the abolition of the Texas Health Insurance Pool on the use of funds collected under the statute.
- ★ Review the implementation of HB 2929 (83R). Examine the bill's impact and compliance among affected health plans. Examine the costs incurred by the Employees Retirement System, Teacher Retirement System, and any other affected state health plans as a result of the legislation.



# QUESTIONS?

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